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7 Attorneys for Plaintiff  
8 Line One Laboratories Inc. (USA)

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12  
13 Line One Laboratories Inc. (USA), a  
14 California corporation,

15 Plaintiff,

16 vs.

17 Wingpow International Limited, a private  
18 limited company organized in the United  
19 Kingdom; Gary Ayckbourn, an individual;  
20 Mark James Ayckbourn, an individual;  
and DOES 1-10, inclusive,

21 Defendants.  
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Case No.: 2:22-cv-02401

**COMPLAINT FOR:**

- 1) **BREACH OF CONTRACT;**
- 2) **GOODS SOLD AND  
DELIVERED;**
- 3) **ACCOUNT STATED; AND**
- 4) **NEGLIGENT  
MISREPRESENTATION**

**REQUEST FOR JURY TRIAL**

1 Plaintiff Line One Laboratories, Inc. (USA), through its attorneys, Leech  
2 Tishman Fuscaldo & Lampl, alleges:

3  
4 THE PARTIES

5 1. At all times relevant, Line One Laboratories Inc. (USA) (“Plaintiff” or  
6 “LOL”) was, and it is, a California corporation having its principal place of business  
7 in Chatsworth, in the County of Los Angeles, California.

8 2. LOL is informed and it believes that at all times relevant herein  
9 defendant Wingpow International Limited (“WPIL”) was, and it is, a private limited  
10 company organized under the laws of the United Kingdom with its principal place of  
11 business in Reading, in the United Kingdom.

12 3. LOL is informed and it believes, and based thereon alleges, that  
13 defendant Gary Ayckbourn is a British citizen domiciled in, and having a principal  
14 place of business, in Reading, in the United Kingdom.

15 4. LOL is informed and it believes, and based thereon alleges, that  
16 defendant Mark James Ayckbourn is a British citizen domiciled in, and having a  
17 principal place of business in Reading, in the United Kingdom.

18 5. The defendants named herein as Does 1 through 10, inclusive, are  
19 persons whose names are currently unknown to LOL. LOL will amend this  
20 complaint to provide their names when the same become fully ascertained. On  
21 information and belief, none of the defendants named a Does 1 through 10 is  
22 domiciled in, resides in, is incorporated in or has a principal place of business in, the  
23 State of California.

24 6. LOL is informed and it believes that, at all times relevant herein, Gary  
25 Ayckbourn was, and he is, the secretary and the managing director of WPIL and that  
26 he directed the activities of the defendants in doing the things complained of below.

27 7. LOL is informed and it believes that, at all times relevant herein, Mark  
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1 James Ayckbourn was, and he is, a director and the sales director of WPIL and that  
2 he directed the activities of the defendants in doing the things complained of below.

3 8. LOL and WPIL have maintained a years-long business relationship.  
4 Based upon that relationship, LOL is informed and it believes, that defendants Gary  
5 Ayckbourn, and Mark James Ayckbourn (collectively, "Ayckbourns") are principals  
6 of WPIL and, at all times relevant, each was, and is, an owner of a substantial  
7 interest in WPIL. Based upon its relationship with WPIL, LOL is informed and it  
8 believes that the Ayckbourns manage and oversee the day-to-day operations of WPIL  
9 and that they jointly make business decisions on behalf of WPIL.

10 9. LOL is informed and it believes that the defendants named herein as  
11 Does 1 through 10, inclusive, also actively participated in, and/or directed, the  
12 actions of WPIL complained of below.

13 10. On information and belief, at all times relevant, there has existed a unity  
14 of interest and ownership between the Ayckbourns and Does 1 through 10, inclusive,  
15 on the one hand, and WPIL, on the other, such that any individuality and  
16 separateness between these persons, on the one hand, and WPIL on the other, has  
17 ceased.

18 11. On information and belief, WPIL is the mere alter ego of the  
19 Ayckbourns and Does 1 through 10, which persons have completely controlled,  
20 dominated, managed and operated WPIL and intermingled the assets of WPIL with  
21 their own assets to suit their own convenience. On further information and belief, the  
22 Ayckbourns and Does 1 through 10 have used the assets of WPIL for their own  
23 personal use, have caused the assets of WPIL to be used to pay their debts, have  
24 caused the assets of WPIL to be transferred to them without adequate consideration,  
25 and have withdrawn funds from the bank accounts of WPIL for their personal use.

26 12. Adherence to the fiction of the separate existence of WPIL as an entity  
27 distinct from the Ayckbourns and Does 1 through 10 would permit abuse of the  
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1 corporate privilege and would sanction a fraud in that, on information and belief,  
2 Ayckbourns and Does 1 through 10 have caused substantial sums to be to be  
3 withdrawn from WPIL's accounts and distributed to themselves and various third  
4 parties for the purpose of avoiding and preventing attachment and execution by  
5 creditors.

6 13. LOL is informed and believes, and on that basis alleges, that at all times  
7 herein mentioned, all defendants herein, whether named or fictitiously designated,  
8 were the agents, servants, employees, joint venturers, and/or the alter egos of each of  
9 the remaining defendants, and that the acts of each defendant were performed within  
10 the course and scope of their agency, service and employment and were undertaken  
11 with the permission, consent, and/or ratification of each other defendant. From this  
12 point forward, defendants WPIL, Ayckbourns and Does 1-10 shall be referred to  
13 collectively as "Defendants".

#### 14 JURISDICTION & VENUE

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16 14. The Court has subject matter jurisdiction over this action pursuant to 28  
17 U.S.C. § 1332(a)(2) in that this is an action where the matter in controversy exceeds  
18 \$75,000, exclusive of interest and costs, and a complete diversity of citizenship exists  
19 between the Plaintiff LOL, a California corporation and each Defendant which is a  
20 citizen of, domiciled in, incorporated in, and having a principal place of business in a  
21 foreign state.

22 15. This Court has personal jurisdiction over the Defendant WPIL because  
23 WPIL has sustained a business relationship with LOL for more than a decade and it  
24 has made payments to LOL, which is located in California, on hundreds of contracts  
25 in the form of purchase orders and invoices and has distributed millions of dollars'  
26 worth of products manufactured by LOL throughout the U.S. and California.

27 16. This Court has personal jurisdiction over the Ayckbourns, as principals  
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1 of WPIL, they were the key players in building WPIL's years-long business  
2 relationship with LOL, they have regularly visited LOL's principal in California, and  
3 they have distributed the products manufactured by or for LOL to businesses  
4 throughout the U.S., including California. In addition, the during the course of their  
5 relationship with LOL, and in furtherance of that relationship, the Ayckbourns and  
6 the remaining defendants have regularly made contact with such businesses in the  
7 U.S. and California by email and phone.

8 17. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b)(2) and  
9 1391(b)(3) because a substantial part of the events and omissions giving rise to the  
10 Plaintiff's claims occurred here and because the actions of the Defendants, as  
11 detailed below, are causing damage here.

#### 12 BACKGROUND FACTS

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14 18. LOL is an original equipment manufacturer ("OEM") of adult toys for  
15 other businesses who market such products under their respective brands.

16 19. LOL's factory, located in China, produces OEM products made to  
17 customers' specifications bearing private labels.

18 20. Defendants distribute LOL's OEM products. Pursuant to the  
19 manufacturer/distributor relationship between LOL and Defendants, customers issue  
20 purchase orders to Defendants for LOL's OEM products. Defendants, in turn, pass  
21 those purchase orders to LOL's Chinese factory for processing and fulfillment.  
22 LOL's Chinese factory then manufactures the relevant products and ships them  
23 directly to the locations specified in the purchase orders.

24 21. At or about the time the products specified in each purchase order are  
25 ready for shipment, LOL's Chinese factory generates an invoice, copies of which are  
26 sent to LOL and Defendants. Defendants, in turn, issue an invoice to the customer for  
27 the price specified in the purchase order, while LOL issues an invoice to Defendants  
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1 for an amount according to a previously agreed upon formula. Once they receive the  
2 goods specified in the purchase orders, the customers pay Defendants which, in turn,  
3 are supposed to pay LOL.

4 22. Within the last two years, due to the effect of the Covid-19 pandemic on  
5 its business, LOL made plans to reduce the size of the workforce at, and the  
6 production of goods at, the factory in China. Upon learning of LOL's plan to reduce  
7 the factory's workforce and production, Defendants asked LOL not to reduce the  
8 workforce or the production. As an inducement to LOL to maintain the factory's  
9 then-current operations, Defendants represented that they would pay the marginal  
10 cost of maintaining the factory's then-current operations. LOL and Defendants  
11 agreed to this arrangement and, in reliance upon Defendants' representations, LOL  
12 did in fact maintain its then-current operations, thereby incurring substantial  
13 expenses that it would not have incurred but for the parties' agreement.

#### 14 15 FIRST CAUSE OF ACTION

16 (Against All Defendants for Breach of Contract)

17 23. LOL incorporates by reference into this paragraph each and every  
18 allegation contained in paragraphs 1 through 22, above.

19 24. Pursuant to the business relationship described above, during the period  
20 between January 2006 and December 2022, LOL and Defendants maintained a  
21 business relationship pursuant to which the parties agreed, among other things, that  
22 LOL would (a) manufacture goods for customers on an OEM basis pursuant to  
23 purchase orders submitted to LOL by Defendants, (b) ship those goods to the  
24 customers, and (c) issue invoices to Defendants for those goods according to an  
25 agreed-upon formula. As part of that relationship, Defendants agreed, among other  
26 things, to pay LOL's invoices within a specific period of time.

27 25. LOL has performed all of its agreed-upon obligations under the above  
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1 arrangement. However, within the last two years, Defendants have breached the  
2 parties' agreement by, among other things, failing to make payments for goods  
3 shipped by LOL when they were due. In addition, although LOL has abided by its  
4 agreement with Defendants to maintain the operations of the factory at pre-pandemic  
5 levels, Defendants have breached that agreement by failing, and refusing, to pay the  
6 marginal costs incurred by LOL in maintaining the factory's operations.

7 26. As a consequence of Defendants' breaches of their agreements with  
8 LOL, there is currently due and owing by Defendants to LOL the amount of at least  
9 \$1,615,577.68. Of this amount, the sum of approximately \$825,685.71 represents the  
10 costs of maintaining the operations of the Chinese factory at pre-pandemic levels.

11 27. In addition to the foregoing, LOL has manufactured goods pursuant to  
12 additional customer purchase orders submitted to Defendants and it purchased parts  
13 and materials to fill other purchase orders previously submitted to it by Defendants.  
14 In view of the Defendants failure to pay LOL's invoices and the cost of maintaining  
15 the operations at the factory, as detailed above, LOL has asked the Defendants to  
16 provide reasonable assurances they will comply with their contractual obligations by  
17 making some advance payments for the incoming purchase orders. However, the  
18 Defendants have refused to do so without "a clear understanding/agreement with  
19 [LOL] on future business."

20 28. In view of the Defendants' non-payment and their refusal to provide  
21 reasonable assurances of payment on future invoices, LOL has not been able to ship  
22 the OEM products that have been made under OEM customers' private labels. LOL  
23 is not able to resell these products to other businesses since such OEM products bear  
24 the private labels of the customers for whom they were manufactured. The total  
25 amount of losses to LOL associated with unshipped OEM products is presently  
26 unascertained but will be proven at trial.

27 29. By reason of Defendants' acts, as alleged above, LOL has suffered other  
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1 damage to its business, reputation and goodwill for its inability to meet its  
2 customers' demands, the loss of profits and sales it would have made but for  
3 Defendants' conduct in an amount that is presently unascertained but which will be  
4 proven at trial.

5  
6 SECOND CAUSE OF ACTION

7 (Against All Defendants for Goods Sold and Delivered)

8 30. LOL incorporates by reference into this paragraph each and every  
9 allegation contained in paragraphs 1-29, above.

10 31. LOL has delivered, through its factory in China, the goods referenced in  
11 the purchase orders that Defendants have submitted that are subject of the unpaid  
12 invoices.

13 32. By reason of the foregoing, there is presently due and owing to LOL by  
14 the Defendants for goods LOL delivered to the OEM customers pursuant to the  
15 purchase orders that Defendant submitted a sum which is presently unascertained,  
16 but which will be proven at trial, together with interest thereon at the legal rate from  
17 and after April 1, 2022.

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19 THIRD CAUSE OF ACTION

20 (Against All Defendants for Negligent Misrepresentation)

21 33. LOL incorporates by reference into this paragraph each and every  
22 allegation contained in paragraphs 1-32.

23 34. The representations by the Defendants described above regarding the  
24 payment of the costs of maintain the operations of the factory in China were made  
25 without any grounds for believing them to be true.

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27 PRAYER FOR RELIEF



1 WHEREFORE, LOL prays:

2  
3 ON THE FIRST CAUSE OF ACTION

- 4 1. For damages for breach of contract in the amount of at least  
5 \$1,615,577.68;  
6 2. For further damage to LOL in an amount to be proven at trial;  
7 3. For interest at the maximum legal rate from and after April 1, 2022;

8  
9 ON THE SECOND CAUSE OF ACTION

- 10 4. For damages for goods sold and delivered in the amount to be proven at  
11 trial;  
12 5. For interest at the maximum legal rate from and after April 1, 2022;

13  
14 ON THE THIRD CAUSE OF ACTION

- 15 6. For damages in the amount of at least \$825,685.71;  
16 7. For interest at the maximum legal rate from and after April 1, 2022

17  
18 ON ALL CAUSES OF ACTION

- 19 8. For costs of suit herein; and  
20 9. For such other and further relief as the court may deem just and proper.

21  
22 Dated: April 8, 2022

LEECH TISHMAN FUSCALDO & LAMPL

23 By: /s/Douglas H. Morseburg  
24 Douglas H. Morseburg

25 Attorneys for Plaintiff One Line Laboratories  
26 Inc. (USA)

REQUEST FOR JURY TRIAL

Fable requests a trial by jury of all issues that are properly tried to a jury.

Dated: April 8, 2022

LEECH TISHMAN FUSCALDO & LAMPL

By: /s/Douglas H. Morseburg  
Douglas H. Morseburg

Attorneys for Plaintiff Line One Laboratories  
Inc. (USA)